1	2	3	4	5
4	P. Ramakrishna . . .	M. Sc.	16-11-64	18-09-87
5	G.C. Panigrahi . . .	M.A. (Hindi) English typ: Lower	10-06-61	01-12-87
6	A. Krisha Rao . . .	M.A.	02-06-57	01-12-87
7	K. Lakshmana Rao . .	M.A., B. Ed.	08-02-61	08-01-88
8	L. Dharma Rao . . .	M.A. (Hindi)	01-04-61	25-01-88
9	P. Krishna Rao . . .	B. Sc. B. Ed.	28-06-64	16-06-89

Signing of M.O.U. by SAIL with Foreign Companies for Supply of Steel

2519. SHRI KRISHNA KUMAR BIRLA: Will the Minister of STEEL be pleased to state:

(a) whether the Steel Authority of India Limited has signed a Memorandum of Understanding with a Middle East and an Egyptian Company for supply of Steel for the construction of power transmission towers;

(b) if so, the terms and conditions laid down for such a Memorandum of Understanding;

(c) the estimated foreign exchange likely to be earned in the deal; and

(d) by when SAIL would supply steel to foreign firms?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) No, Madam.

(b) to (d) Do not arise.

Investment by Foreign Companies in Steel Industry

2520. SHRI KRISHNA KUMAR BIRLA: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that despite Government's liberal policy, the response from the private sector in the country and foreign companies to invest in the steel industry has not been encouraging;

(b) if so, what are the reasons identified for their poor response;

(c) whether Government have been working on a package of measures to facilitate investment by private sector and foreign companies in steel industry ; and

(d) if so, what are details thereof, if finalised?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (d) The large number of Industrial Entrepreneurs Memoranda filed for new steel projects and expansion of existing capacities is indicative of the interest shown by the private sector to invest in the steel industry. The State Governments of Orissa and Karnataka have proposed to implement integrated steel plants in the joint sector. Interest has also been shown by some private sector companies to set up large integrated steel plants. A number of sponge iron/pig iron plants are under implementation in the private sector.

Iron & Steel have been recently included in the list of high priority industries. Such industries have the facility for automatic approval of foreign investment in equity upto

51%. Foreign technology agreements in respect of such industries are also eligible for automatic approval provided the payments are within specified limits.

Losses incurred by SAIL

2521. SHRI KRISHNA KUMAR BIRLA : Will the Minister of STEEL be pleased to state :

(a) whether the Steel Authority of India Limited has incurred heavy losses during the first four months of the current financial year;

(b) if so, what are the reasons therefor ;

(c) whether Government have since contemplated any concrete measures to tone up the functioning of Steel Authority of India Limited to save it from losses during the next few months of the current financial year; and

(d) if so, what are the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) According to preliminary estimates, SAIL incurred some losses in April, 1992, but the company has been able to earn profits in both May and June, 1992. The estimates of working results for July, 1992 would be known only after the Month ends.

(b) Among others, the main reason for incurrence of losses during April, 1992 was the unremunerative selling prices for steel products due to increase in the cost of production arising out of escalation in input costs.

(c) and (d) To check the incurrence of losses, and improve working results, the prices of iron and steel products have been increased with effect from 19th May, 1992. In addition, efforts are being made to m p rove the performance.

Supply of raw material to Bhilai Steel Plant

2522. SHRI SURESH PACHOURI : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that deposits of iron ore in the Rajhara mines in the State of Madhya Pradesh is the only source from where the Bhilai Steel Plant gets its raw material have decreased to a alarming level which may affect the production of Bhilai Steel Plant in the near future;

(b) if so, what are the details thereof; and

(c) what remedial action Government propose to take in the matter ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) Rajhara is not the only captive source of supply of iron ore to Bhilai Steel Plant. Bhilai Steel Plant receives its iron ore from its captive mines at Dalli-Rajhara. Presently, the available reserves at Rajhara have not depleted to an alarming level. However, according to Steel Authority of India Limited (SAIL) they have planned for a decrease in production of iron ore from Rajhara from the year 1994-95 onwards.

(b) According to SAIL, there will be a shortfall of about 2.7 million tonnes and 4.4 million tonnes of iron ore in the years 2001-2002 and 2004-2005 respectively after meeting the requirements from Rajhara-Dalli Group.

(c) In order to meet the shortfall in requirement, SAIL has identified a new mine at Rowghat, as a linkage for supply of iron ore to Bhillai Steel Plant.